

KIDDER, PEABODY & CO.
116 Devonshire St.
17 Wall St.
BOSTON NEW YORK

**Investment Securities
Foreign Exchange
Letters of Credit**

**Correspondents of
BARING BROTHERS & CO., LTD.
LONDON**

FINANCIAL NEWS AND COMMENT

Short Interest Dominates Market, Motor Shares Showing Most Weakness.

STRONGER AT THE CLOSE

French Loan Promises to Be Oversubscribed, With Good Demand in West.

Although professional activities were effective in bringing about a higher range of prices in the early trading yesterday in the Stock Exchange, the general course of market values for the leading issues was in the direction of lower levels in the greater part of the five hours of business, absence of buying power being the chief factor in attracting operations for the decline.

This lack of outside and Wall Street interest forced the conclusion among traders that there were still opportunities for profits on the short side, and putting the theory to the test it was found that the vulnerable spots were in the motor shares, which weakened easily under the slightest sort of pressure. Semi-investment demand was reported on the recession.

The volume of that buying, however, was too small to become an important market influence, although together with moderate covering in the late dealings it served to impart at the close a stronger tone to the list as a whole. Sentiment was rather favorably impressed with the group head held in some quarters of the Street that the low figures on the current movement had been recorded and that from now on the general tendency would be downward.

Opinion in speculative quarters is mixed regarding the extent of the short interest, but there are few observers who do not believe the account is large enough to result in a sharp upturn in market values in the near future, despite some especially favorable factors of aggression by bull operations by substantial traders. Notwithstanding the idea the short interest is heavily extended there are, however, market followers who believe prices will go lower before a real turn upward can be expected. The downward movement has not yet necessitated the explanation of the enormous profits reported to have been made by certain war munition manufacturing companies, nor had it brought upon the market an amount of liquidation sufficient to pave the way for advancing prices.

Further large advances to the Allies by direct banking accommodation are talked of in bond market circles as an additional restrictive influence to expansion in the amount of domestic offerings of mortgage issues, while the funding of the new French loan appears to have attracted the interest of buyers and an apparent belief in some circles that it may be possible to obtain better bargains in the near future. Liquidation of foreign held American securities is heavier than recently reported, with the chief buyers the large institutions. Municipal bonds are fair market for the account of the savings banks. dealings yesterday were light in all departments, with no important changes in prices.

Public participation in the French loan promises to be heavy. Reports received yesterday from a lot of town financial interests suggested a large over-subscription to any offering that may be made, with a good demand from the West and Central West, where, it may be recalled, little enthusiasm was shown by the Anglo-French financing of last fall. Colossal against the loan has a margin, and though the securities included a little known to the ordinary investor in this country, they are considered gilt edged by the local banking community, and in consequence they should give the notes, with, we believe, by an American corporation, the highest investment rating. The yield on the notes will be in the neighborhood of 5.75%.

Including about \$20,000,000 gold just received from London by the way of Halifax, imports on the current movement total \$85,946,000. According to statements of the Board of Trade, the shipping houses, there will be further shipments of the precious metal from London, rather than from Ottawa, where, it is understood, the supply available for transfer to New York practically is exhausted. Exports of merchandise from Canada, also, are running particularly heavy, notably at the present time, the record last week from this port, for instance, being the second best ever reported, and in consequence London not only is sending gold in payment but is increasing its sale of British owned securities with the market. In some quarters of the financial district it is heard that with the new French loan out of the way negotiations for another English offering here of bonds will be started, but the idea does not find independent in the best informed circles, as confidence in the dearst money market in the world is, it is quite generally believed, that all new issues of British capital will carry a higher rate of interest. It is believed also that the Bank of England, which last week advanced its minimum discount rate to 6 per cent, will be called upon to establish the 7 per cent quotation level in the year in order to maintain exchange in the neighborhood of the present so-called pegged level and to prevent the transfer of American balances in London to New York.

There is a suggestion of peace to be being slow-witted by certain cotton brokers because of the theory that higher prices for cotton would accompany the disbanding of the European armies. The favorable progress of the Allies, however, is not reflected to any extent in the current market, and in consequence there is a tendency on the part of some cotton ring operators to move ideas peace spells big prices and to advance the argument cessation of war already has been discounted in market movements. A bullish cotton broker says that he believes prices for the staple will go higher irrespective of the outcome of the war, and that the export demand is increasing rapidly, the home trade demand is heavy and the weevil pest promises to be more disastrous to the crop than in many years. There are no doubt sound bullish influences in the market, but it should be recalled that current quotations on the plantations indicate a crop of more than 14,000,000 bales exclusive of linters, and a total crop of more than 15,000,000 bales.

Calling of loans by the local clearing houses began yesterday in the Far East, and promises for continued accommodation to continue. In Boston, however, there appears to be a tendency on the part of member institutions to apply for rediscoun'ts. Call money here yesterday was relatively easy in reflection of the big gain in bank reserves last week.

By Standard Oil stocks not found in this issue.

STANDARD OIL ISSUES.

July 17, 1916. July 17, 1916.

Bid Asked. Bid Asked. Bid Asked.

1916, Feb. 1916. 1916, Feb. 1916.

1916, June 1916. 1916, June 1916.

1916, March 1916. 1916, March 1916.

1916, April 1916. 1916, April 1916.

1916, May 1916. 1916, May 1916.

1916, June 1916. 1916, June 1916.

1916, Sept. 1916. 1916, Sept. 1916.

1916, Oct. 1916. 1916, Oct. 1916.

1916, Nov. 1916. 1916, Nov. 1916.

1916, Dec. 1916. 1916, Dec. 1916.

1916, Jan. 1916. 1916, Jan. 1916.

1916, Feb. 1916. 1916, Feb. 1916.

1916, Mar. 1916. 1916, Mar. 1916.

1916, Apr. 1916. 1916, Apr. 1916.

1916, May 1916. 1916, May 1916.

1916, June 1916. 1916, June 1916.

1916, July 1916. 1916, July 1916.

1916, Aug. 1916. 1916, Aug. 1916.

1916, Sept. 1916. 1916, Sept. 1916.

1916, Oct. 1916. 1916, Oct. 1916.

1916, Nov. 1916. 1916, Nov. 1916.

1916, Dec. 1916. 1916, Dec. 1916.

1916, Jan. 1916. 1916, Jan. 1916.

1916, Feb. 1916. 1916, Feb. 1916.

1916, Mar. 1916. 1916, Mar. 1916.

1916, Apr. 1916. 1916, Apr. 1916.

1916, May 1916. 1916, May 1916.

1916, June 1916. 1916, June 1916.

1916, July 1916. 1916, July 1916.

1916, Aug. 1916. 1916, Aug. 1916.

1916, Sept. 1916. 1916, Sept. 1916.

1916, Oct. 1916. 1916, Oct. 1916.

1916, Nov. 1916. 1916, Nov. 1916.

1916, Dec. 1916. 1916, Dec. 1916.

1916, Jan. 1916. 1916, Jan. 1916.

1916, Feb. 1916. 1916, Feb. 1916.

1916, Mar. 1916. 1916, Mar. 1916.

1916, Apr. 1916. 1916, Apr. 1916.

1916, May 1916. 1916, May 1916.

1916, June 1916. 1916, June 1916.

1916, July 1916. 1916, July 1916.

1916, Aug. 1916. 1916, Aug. 1916.

1916, Sept. 1916. 1916, Sept. 1916.

1916, Oct. 1916. 1916, Oct. 1916.

1916, Nov. 1916. 1916, Nov. 1916.

1916, Dec. 1916. 1916, Dec. 1916.

1916, Jan. 1916. 1916, Jan. 1916.

1916, Feb. 1916. 1916, Feb. 1916.

1916, Mar. 1916. 1916, Mar. 1916.

1916, Apr. 1916. 1916, Apr. 1916.

1916, May 1916. 1916, May 1916.

1916, June 1916. 1916, June 1916.

1916, July 1916. 1916, July 1916.

1916, Aug. 1916. 1916, Aug. 1916.

1916, Sept. 1916. 1916, Sept. 1916.

1916, Oct. 1916. 1916, Oct. 1916.

1916, Nov. 1916. 1916, Nov. 1916.

1916, Dec. 1916. 1916, Dec. 1916.

1916, Jan. 1916. 1916, Jan. 1916.

1916, Feb. 1916. 1916, Feb. 1916.

1916, Mar. 1916. 1916, Mar. 1916.

1916, Apr. 1916. 1916, Apr. 1916.

1916, May 1916. 1916, May 1916.

1916, June 1916. 1916, June 1916.

1916, July 1916. 1916, July 1916.

1916, Aug. 1916. 1916, Aug. 1916.

1916, Sept. 1916. 1916, Sept. 1916.

1916, Oct. 1916. 1916, Oct. 1916.

1916, Nov. 1916. 1916, Nov. 1916.

1916, Dec. 1916. 1916, Dec. 1916.

1916, Jan. 1916. 1916, Jan. 1916.

1916, Feb. 1916. 1916, Feb. 1916.

1916, Mar. 1916. 1916, Mar. 1916.

1916, Apr. 1916. 1916, Apr. 1916.

1916, May 1916. 1916, May 1916.

1916, June 1916. 1916, June 1916.

1916, July 1916. 1916, July 1916.

1916, Aug. 1916. 1916, Aug. 1916.

1916, Sept. 1916. 1916, Sept. 1916.

1916, Oct. 1916. 1916, Oct. 1916.

1916, Nov. 1916. 1916, Nov. 1916.

1916, Dec. 1916. 1916, Dec. 1916.

1916, Jan. 1916. 1916, Jan. 1916.

1916, Feb. 1916. 1916, Feb. 1916.

1916, Mar. 1916. 1916, Mar. 1916.

1916, Apr. 1916. 1916, Apr. 1916.

1916, May 1916. 1916, May 1916.

1916, June 1916. 1916, June 1916.

1916, July 1916. 1916, July 1916.

1916, Aug. 1916. 1916, Aug. 1916.

1916, Sept. 1916. 1916, Sept. 1916.

1916, Oct. 1916. 1916, Oct. 1916.